

**IT-611S**

**S CORPORATION**  
**Georgia Income Tax**  
**Forms for 1998**  
**AND GENERAL INSTRUCTIONS**



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**FROM THE COMMISSIONER**

This booklet has been designed for S Corporations in order to assist them in complying with the obligation to file Georgia corporate tax returns. It contains the forms and schedules needed by most S Corporations. On page 2, you will find a "New Information" section that may affect your business.

During the upcoming filing season, our goal is to help you get the information that you need as efficiently and effectively as possible. To further that goal, we have instituted two new ways for taxpayers to quickly access tax forms and related information. First, you can use the Internet to contact our popular website at <http://www2.state.ga.us/departments/dor/>. Second, you may call (404) 656-4293 to order forms either by leaving a voice message or by using our new Fax-On-Demand system.

Everyone at the Department of Revenue is committed to providing prompt, courteous service. Telephone numbers are provided on page 4 of this booklet that you may find helpful during the coming tax season.

**T. JERRY JACKSON**  
Commissioner

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# GENERAL INSTRUCTIONS

## INCOME TAX

### INTRODUCTION

The Georgia law recognizes an election to file as an S Corporation under the provisions of the IRC as it existed on January 1, 1998, qualified only in cases of nonresident shareholders, who must complete Form 600 S-CA (see page 6). It also provides for the imposition of a Net Worth Tax.

### FILING REQUIREMENTS

All corporations owning property or doing business within Georgia are required to file a Georgia Income Tax return. Please round all dollar entries. A corporation electing the provisions for S Corporations of the IRC, having one or more stockholders who are nonresidents of Georgia, must file a consent Form 600 S-CA on behalf of each such nonresident. Failure to furnish properly executed Forms 600 S-CA for all nonresident stockholders negates Georgia recognition of the election, requiring each corporation to file on Form 600, and to pay the regular corporate tax. Georgia resident shareholders of Subchapter "S" corporations may make an adjustment to federal adjusted gross income for Subchapter "S" income where the Subchapter "S" election is not recognized for Georgia purposes or by another State. The adjustment is allowed in order to avoid double taxation on this type of income. Therefore, this adjustment will be allowed only if tax was actually paid by the corporation to Georgia or to the other state(s).

### WHEN AND WHERE TO FILE

The return is due on or before the 15th day of the 3rd month following the close of the taxable year. This means March 15th, if on the calendar year basis. Returns should be mailed to Georgia Income Tax Division, P.O. Box 740397, Atlanta, Georgia 30374-0397.

### EXTENSION OF TIME

A reasonable extension of time for filing may be granted by the Commissioner upon application on Form IT-303 filed prior to the date the return is due showing that the delay is due to a reasonable cause. Georgia law prohibits the granting of an extension of over 6 months from the due date of the return.

If taxpayer has received from the Internal Revenue Service an extension of time within which to file his Federal return, taxpayer need not apply to the Georgia Department of Revenue for a similar extension of time. All that is required is a copy of the request for the Federal extension to be attached to the Georgia return. The form IT-560-C is to be used to submit any payment of tax when an extension is requested or in force. Interest accrues at the rate of 12% per year on any tax due from the regular due date of the return until paid. If tax is not paid by the regular due date of the return, a late payment penalty of 1/2 of 1% per month will accrue until tax is paid.

### RELATION TO FEDERAL RETURN

The Georgia return is correlative with the Federal return in most respects. The accounting period and method for the Georgia return must be the same as the Federal. A copy of the Federal return and all supporting schedules must be attached to the Georgia return.

If a Federal audit results in a change in taxable income, the taxpayer shall make a return to the commissioner, of the changed or corrected net income, within 180 days of final determination to: Georgia Income Tax Division, P.O. Box 38467, Atlanta, Georgia 30334.

### COMPUTING GEORGIA TAXABLE INCOME

#### SCHEDULE 1

If an S Corporation is required to pay a tax on the federal level, it may be required to pay a tax on the state level. This schedule applies only to S Corporations which have converted from a C Corporation and are subject to the corporate income tax due to

Excess Net Passive Investment Income, Capital Gains or Built in Capital Gains. This income would be apportioned to Georgia by multistate S Corporations.

### ADJUSTMENT TO FEDERAL INCOME OF SHAREHOLDERS

To determine total income for Georgia purposes, certain additions and subtractions as provided by Georgia tax laws are included in the Schedule 8 computation. Lines 8 and 10 of Schedule 8 are provided for the modifications required by Georgia Law. The total of additions to Georgia income is to be shown on line 8 of Schedule 8 and listed in Schedule 5. The total of subtractions from Federal income is to be shown on line 10, Schedule 8, and listed in Schedule 6. The more commonly used items are listed in each of these schedules. **Any deductions which are subject to further limitations such as section 179 deduction, charitable contributions, etc. are not deductible in the calculation of Total Income for Georgia purposes. These items are deductible, based on the percentage of ownership, by the individual shareholder on his or her individual tax return.**

Taxpayers who are parties to state contracts may subtract from Federal taxable income or Federal adjusted gross income 10% of qualified payments to minority subcontractors or \$100,000, whichever is less, per taxable year. A list of certified minority subcontractors will be maintained by the Commissioner of Administrative Services for the Revenue Department and general public. (For further information, call (404) 656-6315.)

### SCHEDULES 7 and 9 Apportionment and Allocation of Income

If any corporation, domestic or foreign, is doing business both within and without Georgia, the Georgia ratio as computed in Schedule 7 should be used to compute Georgia taxable income for nonresidents.

Schedule 8 reflects flow through income from the federal return which is taxable to the individual shareholder. A resident shareholder is required to report his full share of corporate income or loss and the long-term capital gain. A nonresident shareholder, however, is required to report only his share of the apportioned and allocated income. The general instructions for computing the apportionment ratio and apportioned and allocated income are furnished below. If the business income of the corporation is derived from property owned or business done within the State and in part from property owned or business done without the State, the tax shall be imposed only on that portion of the business income which is reasonably attributable to the property owned and business done within the State, to be determined as follows:

(1) Interest received on bonds held for investment and income received from other intangible property held for investment are not subject to apportionment. Rentals received from real estate held purely for investment purposes and not used in the operation of the business are also not subject to apportionment. All expenses connected with the interest and rentals realized from such investments are likewise not subject to apportionment but must be applied against the investment income. The net investment income from intangible property shall be allocated to Georgia if the situs of the corporation is in Georgia or the intangible property was acquired as income from property held in Georgia, or as a result of business done in Georgia. The net investment income from tangible property in Georgia shall be allocated to Georgia.

(2) Gain from the sale of tangible or intangible property not held, owned or used in connection with the trade or business of the corporation nor for sale in the regular course of business shall be allocated to the State if the property held is real or tangible personal

property situated in the State, or intangible property having an actual situs or a business situs within the State. Otherwise, such gains shall be allocated outside the State.

(3) Net income of the above classes having been separately allocated and deducted, the remainder of the net business income shall be apportioned by application of the following:

### **THREE FACTOR FORMULA**

(a) **Property Factor.** The property factor is composed of the average value of real and tangible personal property owned or rented and used during the taxable year. Property owned is valued at its original cost. Property rented is valued at eight times the net annual rental rate. The net annual rental rate is the annual rental rate paid less any annual rate received from any sub-rentals.

(b) **Payroll Factor.** The payroll factor is the ratio of all salaries, wages, commissions, and other compensation paid by the taxpayer in this State for personal services performed by employees in connection with the trade or business of the taxpayer during the taxable year to the total salaries, wages, commissions, and other compensation paid by the taxpayer for personal services performed by employees in connection with its entire trade or business, wherever conducted, during the taxable year. Payments made to an independent contractor or any other person not properly classified as an employee are excluded. Compensation is paid in this State if the employee's service outside Georgia is incidental to the service performed in this State or some of the service is performed in Georgia and the base of operations from which the service is directed is in this State, or some of the service is performed in Georgia and the base of operations from which the service is directed is not in any State where some part of the service is performed but the employee's residence is in Georgia.

(c) **Gross Receipts Factor.** The gross receipts factor is the ratio of gross receipts from business done within this State to total gross

receipts from business done everywhere. Receipts shall be deemed to have been derived from business done within this State only if received from products shipped to customers in this State, or delivered within this State to customers.

The purpose of the gross receipts factor is to measure the marketplace for the taxpayer's goods and services.

When receipts are derived from the sale of tangible personal property, receipts shall be deemed to have been derived from business done in this State if they were received from products shipped to customers in this State or products delivered within this State to customers.

When receipts are derived from business other than the sale of tangible personal property, receipts shall be deemed to have been derived from business done in this State if they were received from customers within this State or if the receipts are otherwise attributable to this State's marketplace.

**(d) The apportionment factors determined above shall be weighted 25% to property, 25% to payroll and 50% to sales. If the denominator for either the property or payroll factor is zero, the weighted percentage for the other will be 33-1/3% and the weighted percentage for the sales factor will be 66-2/3%. If the denominator for the sales is zero, the weighted percentage for the property and payroll will change to 50% each. If the denominators for any two factors are zero, the weighted percentage for the remaining factor will be 100%.**

(e) **Apportionment of Income; Business Joint Ventures and Business Partnerships.** A corporation which is involved in a business joint venture, or is a general partner in a business partnership, must include its pro rata share of the joint venture or partnership property, payroll and gross receipts values in its own apportionment formula.

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### **BASIC SKILLS EDUCATION CREDIT**

Basic Skills Education Credit available for offset against income tax per this return should be claimed on line 3 of Schedule 4, as "Other Credits," and supported by a completed copy of Georgia Form IT-BE.

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### **NEW INFORMATION**

The following house bills were passed by the 1998 legislature:

HB 1161 provides for a low emission vehicle credit up to \$1,500 for the purchase or lease of a new low emission vehicle or the conversion of a standard vehicle to low emission vehicle. Section 48-7-40.

HB 1353, an economic incentive which provides for alternative methods of allocation and apportionment. Section 48-7-31.

HB 1437, which provides for a deduction for employer social security credit. Section 48-7-28.2.

HB 1535, which defines out of state customers of commercial printers. Section 48-5-5.

HB 1596, includes revisions to the BEST credits. The new law provides for a ten-year carry forward of unused investment or retraining tax credits. The act also extends some provisions of the job tax credit. Sections 48-7-40.2 thru 48-7-40.5 and 48-7-40.

HB 1667, for companies otherwise eligible for the job tax credit there is now the port activity tax credit, which would increase the credit for either of these credits. Section 48-7-40.15.

If you have questions about any of these new laws call the corporate tax conferee's office at 404-656-4171.

Certain distributions made to nonresident shareholders of Subchapter "S" Corporations, after January 1, 1994 are subject to withholding tax. Please see Georgia Code Section 48-7-129.

The Department's web site can be accessed at [www2.state.ga.us/departments/dor/](http://www2.state.ga.us/departments/dor/). Georgia law can be found at [www.ganet.org/services/ocode/ocgsearch.htm](http://www.ganet.org/services/ocode/ocgsearch.htm). Complete copies of the bills are available at [www.ganet.org/services/leg/pleg.cgi?year=1998&billtype=HB](http://www.ganet.org/services/leg/pleg.cgi?year=1998&billtype=HB).

# NET WORTH TAX

## INITIAL FILING AND DUE DATES

A new domestic or foreign corporation doing business or owning property in Georgia must file an initial net worth tax return on or before the fifteenth day of the third calendar month after incorporation or qualification. The initial net worth tax return is based on the beginning net worth (Federal Schedule L) of the corporation and covers the tax from the incorporation/qualification date to the year end. If this return is for a short period of less than six months, the tax due shall be 50%. The initial net worth return cannot be combined with the initial income tax return since the due dates do not coincide.

Thereafter, an annual return must be filed on or before the fifteenth day of the third month following the beginning of the corporation's taxable period.

## EXTENSION OF TIME

A reasonable extension of time for filing may be granted by the Commissioner upon application on Form IT-303. It must be filed prior to the date the return is due and show that the delay is due to a reasonable cause. Georgia Law prohibits the granting of an extension of over 6 months from the due date of the return.

If the taxpayer has received from the Internal Revenue Service an extension of time within which to file his Federal return, taxpayer need not apply to the Georgia Department of Revenue for a similar extension of time. All that is required is a copy of the request for the Federal extension be attached to the Georgia return. If the taxpayer is filing a net worth tax return only and no income tax return is due, a separate extension must be applied for and the tax paid. Interest accrues at the rate of 12% per year on any tax due from the regular due date of the return until paid.

A taxpayer having a federal extension must also prepay the Georgia Tax accompanying such remittance with Form 560C. On Form 600S, credit for such prepayment should be claimed on line 3, Schedule 4. An extension of time does not alter the interest charge, nor the penalty for late payment of tax.

## PENALTIES AND INTEREST

Penalties and interest may be avoided by payment of tax by the statutory due date of the return.

Penalty for delinquent filing--10% of tax due. Penalty for delinquent payment--10% of tax due.

## Treatment of Short Period Net Worth Tax Return

All corporations filing a short period income and/or Net Worth Georgia tax return for any reason other than initial or final return shall compute the net worth in accordance with the following instructions.

The net worth tax shall be computed on the net worth per the ending balance sheet of the short period return. The tax is then prorated based on the number of months included in the short period return.

NOTE: Any short periods ending on the 1st to the 15th day of the month are backed up to the last day of the preceding month. Years

In addition, interest at 12% per annum is due on a delinquent remittance from the date due until paid.

## COMPUTATION OF TAX

The tax is graduated based on net worth. In the case of new corporations, this is the beginning net worth. Thereafter, it is the net worth on the first day of the corporation's net worth taxable year. Net worth is defined to include issued capital stock, paid in surplus and retained earnings. Treasury stock should not be deducted from issued capital stock.

Foreign corporations qualified in Georgia are taxable on the portion of net worth employed within Georgia as computed in Schedule 3, using the ratio computed in Schedule 2. In computing the ratio, the property factors will reflect total balance sheet assets within Georgia and everywhere. The gross receipts factors are determined per instructions on page 2. For net worth tax purposes, a foreign corporation is a corporation or association created or organized under the statutory laws of any nation or state other than Georgia.

Domestic corporations and domesticated foreign corporations are taxable on total net worth (100% ratio) and should not use the ratio computation in Schedule 2. For net worth tax purposes, a domestic corporation is a corporation or association created or organized under the statutory laws of Georgia. A domesticated foreign corporation is a foreign corporation which has agreed under the provisions of Georgia law to be treated as a domestic corporation and to be taxed on total net worth.

A net worth tax return must be filed by a dormant corporation and the tax paid to retain its charter. A foreign corporation admitted into Georgia must file a net worth tax return until it has withdrawn from Georgia. A corporation with a deficit net worth will pay the minimum tax shown in the table below. A corporation which has liquidated and is filing its final income tax return is not liable to file a subsequent net worth tax return.

All cooperative marketing associations are required to file a return using either Form 600 or 600-S, whichever is applicable. The tax on such corporations is \$10.00 per year.

## NET TAX DUE OR OVERPAYMENT

Schedule 4 provides for the computation of the net tax due or the net overpayment of the two taxes.

Compute any penalty and interest due under the respective taxes and enter the amounts on the applicable lines.

ending on the 16th day or later are moved forward to the last day of that month.

## EXAMPLE

Corporation A files a three month short period return ending March 31, 1998. The Georgia taxable net worth per the March 31, 1998, balance sheet is \$90,000. The Georgia net worth tax is computed as follows:

Tax per scale \$100.00 x 3/12 = \$25.00 Net Worth Tax due.

## NET WORTH TAX TABLE

### DOMESTIC AND DOMESTICATED FOREIGN CORPORATIONS

Based on net worth including issued capital stock, treasury stock, paid-in surplus and earned surplus (line 4, Schedule 3).

Not exceeding \$10,000 .....	
Over \$ 10,000.00 and not exceeding 25,000.00 .....	\$ 10.00
Over 25,000.00 and not exceeding 40,000.00 .....	20.00
Over 40,000.00 and not exceeding 60,000.00 .....	40.00
Over 60,000.00 and not exceeding 80,000.00 .....	60.00
Over 80,000.00 and not exceeding 100,000.00 .....	75.00
Over 100,000.00 and not exceeding 150,000.00 .....	100.00
Over 150,000.00 and not exceeding 200,000.00 .....	125.00
Over 200,000.00 and not exceeding 300,000.00 .....	150.00
Over 300,000.00 and not exceeding 500,000.00 .....	200.00
Over 500,000.00 and not exceeding 750,000.00 .....	250.00
Over 750,000.00 and not exceeding 1,000,000.00 .....	300.00
Over 1,000,000.00 and not exceeding 2,000,000.00 .....	500.00
Over 2,000,000.00 and not exceeding 4,000,000.00 .....	750.00
Over 4,000,000.00 and not exceeding 6,000,000.00 .....	1,000.00
Over 6,000,000.00 and not exceeding 8,000,000.00 .....	1,250.00
Over 8,000,000.00 and not exceeding 10,000,000.00 .....	1,500.00
Over 10,000,000.00 and not exceeding 12,000,000.00 .....	1,750.00
Over 12,000,000.00 and not exceeding 14,000,000.00 .....	2,000.00
Over 14,000,000.00 and not exceeding 16,000,000.00 .....	2,500.00
Over 16,000,000.00 and not exceeding 18,000,000.00 .....	3,000.00
Over 18,000,000.00 and not exceeding 20,000,000.00 .....	3,500.00
Over 20,000,000.00 and not exceeding 22,000,000.00 .....	4,000.00
Over 22,000,000.00 .....	4,500.00
	5,000.00

### FOREIGN CORPORATIONS

Based on net worth including issued capital stock, treasury stock, paid-in surplus and earned surplus employed within Georgia (line 6, Schedule 3).

\$ 10.00	
20.00	
40.00	
60.00	
75.00	
100.00	
125.00	
150.00	
200.00	
250.00	
300.00	
500.00	
750.00	
1,000.00	
1,250.00	
1,500.00	
1,750.00	
2,000.00	
2,500.00	
3,000.00	
3,500.00	
4,000.00	
4,500.00	
5,000.00	

GEORGIA S CORPORATION  
TAX RETURNS  
FORM 600S  
DEPARTMENT OF REVENUE  
INCOME TAX DIVISION



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- ( ) ORIGINAL RETURN  
( ) AMENDED RETURN  
( ) INITIAL NET WORTH  
( ) FINAL RETURN (Attach explanation)  
( ) NEW CORPORATION  
( ) ADDRESS CHANGE  
( ) NAME CHANGE (Please show former name)  
( ) C CORPORATION LAST YEAR

1998 INCOME TAX RETURN

Beginning \_\_\_\_\_ 19 \_\_\_\_  
Ending \_\_\_\_\_ 19 \_\_\_\_

1999 NET WORTH TAX RETURN

Beginning \_\_\_\_\_ 19 \_\_\_\_  
Ending \_\_\_\_\_ 19 \_\_\_\_

PLEASE DO NOT WRITE IN THIS SPACE

A. Federal Employer Id. No.	Name (Type or print plainly exact corporate title)	E. Date of Incorporation
B. Ga. W/hold. Tax Acct. No.	Business Address (Number and Street)	F. Incorporated under laws of what state
C. Ga. Sales Tax Reg. No.	City or Town County State Zip Code No.	G. Date admitted into Georgia
D. Federal Bus. Code No.	Location of books for Audit Telephone Number	H. Kind of business

- I. Number of Shareholders \_\_\_\_\_ Are there Nonresident Shareholders Y/N \_\_\_\_\_  
J. Indicate latest taxable year adjusted by IRS. > \_\_\_\_\_ And when reported to Georgia > \_\_\_\_\_  
K. Federal Ordinary Income (1120S, Line 21, Copy of Federal Return MUST be attached). > \$ \_\_\_\_\_  
L. Location of principal place of business in Georgia \_\_\_\_\_

COMPUTATION OF TAX ON GEORGIA TAXABLE INCOME (ROUND TO NEAREST DOLLAR)		SCHEDULE 1
1. Georgia Taxable income .....	1	
2. Tax - 6% x Line 1 .....	2	

COMPUTATION OF NET WORTH RATIO (To be used by Foreign Corporations Only) (ROUND TO NEAREST DOLLAR)		SCHEDULE 2	
	a. Within Georgia	b. Total Everywhere	c. Ga. ratio (a ÷ b)
1. Total value of property owned (Total Assets from Balance Sheet) .....	1		
2. Gross receipts from business .....	2		
3. Totals (Line 1 plus Line 2) .....	3		
4. Georgia ratio (Divide Line 3(a) by 3(b)) .....	4		

COMPUTATION OF NET WORTH TAX (ROUND TO NEAREST DOLLAR)		SCHEDULE 3
1. Total Capital stock issued .....	1	
2. Paid in or capital surplus .....	2	
3. Total retained earnings .....	3	
4. Net worth (Total of lines 1, 2, and 3) .....	4	
5. Ratio (Ga. and Dom. For. Corp.-100%) (Foreign Corp.-Line 4, Sch. 2) .....	5	
6. Net worth taxable by Georgia (Line 4 x Line 5) .....	6	
7. Net worth tax (From table in instructions) .....	7	

COMPUTATION OF TAX DUE (ROUND TO NEAREST DOLLAR)		SCHEDULE 4	
	a. Income Tax	b. Net Worth Tax	c. Total
1. Total Tax (Line 2, Schedule 1, and Line 7, Schedule 3) .....			1
2. Less: Credits and payments of estimated tax .....			2
3. Other credits (Attach Schedule) .....			3
4. Job tax credits (See instructions, Page 7) .....			4
5. Balance of tax due (Line 1, less Lines 2, 3 and Line 4) .....			5
6. Amount of overpayment (Lines 2, 3 and Line 4 less Line 1) .....			6
7. Interest due .....			7
8. Penalties due .....			8
9. Balance of Tax, Interest and Penalties due with return .....			9
10. Amount of Line 6 to be credited to 1999 estimated tax .....			

COPY OF THE FEDERAL RETURN AND SUPPORTING SCHEDULES, INCLUDING K-1's, MUST BE ATTACHED, OTHERWISE THIS RETURN IS DEEMED INCOMPLETE. NO EXTENSION OF TIME FOR FILING WILL BE ALLOWED UNLESS COPY OF REQUEST FOR FEDERAL EXTENSION IS ATTACHED TO THIS RETURN.

GEORGIA PUBLIC REVENUE CODE SECTION 48-2-31 STIPULATES THAT TAXES SHALL BE PAID IN LAWFUL MONEY OF THE UNITED STATES, FREE OF ANY EXPENSE TO THE STATE OF GEORGIA.  
DECLARATION: I/We declare under the penalties of perjury that I/We have examined this return (including accompanying schedules and statements) and to the best of our knowledge and belief it is true, correct, and complete. If prepared by a person other than taxpayer, their declaration is based on all information of which they have any knowledge.

SIGNATURE OF OFFICER

SIGNATURE OF INDIVIDUAL OR FIRM PREPARING THE RETURN

TITLE

DATE

IDENTIFICATION OR SOCIAL SECURITY NUMBER

USE GEORGIA LABEL IF CORRECT

ATTACH CHECK OR MONEY ORDER HERE PAYABLE TO GEORGIA INCOME TAX DIVISION

**ADDITIONS TO FEDERAL INCOME****SCHEDULE 5**

1. State and municipal bond interest other than Georgia or political subdivision thereof .....	1	
2. Net income or net profits taxes imposed by taxing jurisdictions other than Georgia .....	2	
3. Expense attributable to tax exempt income .....	3	
4. Accelerated depreciation (ACRS) deducted on Federal return (electing corporations) .....	4	
5. Other additions .....	5	
6. ....	6	
7. Total (Add Lines 1 through 6) Enter here and on Line 8, Schedule 8 .....	7	

**SUBTRACTION FROM FEDERAL INCOME****SCHEDULE 6**

1. Interest on obligations of United States .....	1	
2. Depreciation allowed per IR Code as of 1-1-81 (ACRS assets electing corporations only) .....	2	
3. Other subtractions .....	3	
4. ....	4	
5. Total (Add Lines 1 through 4) Enter here and on Line 10, Schedule 8 .....	5	

**APPORTIONMENT OF INCOME (Part 1)****SCHEDULE 7**

	WITHIN GEORGIA		TOTAL EVERYWHERE	
	a. Beginning of year	b. End of year	a. Beginning of year	b. End of year
1. Inventories .....				
2. Buildings (cost) .....				
3. Machinery & Equipment .....				
4. Land .....				
5. Other Tangible Assets .....				
6. Total (Lines 1 through 5) .....				
7. Average (add columns a and b and divide by 2) .....				
8. Rented Property (Annual Rate x 8) .....				
9. Total Property (Add Lines 7 and 8) .....				

**APPORTIONMENT OF INCOME (Part 2)**

	a. Within Georgia	b. Everywhere (If this figure is 0 see instructions on page 2)	c. col. (a) ÷ col. (b) Compute to Six Decimals	d. Georgia Factor Compute to Six Decimals
1. Total Property (Part 1 Line 9) .....				x 0.25
2. Salaries, wages, commissions and compensation .....				x 0.25
3. Gross receipts from business .....				x 0.50
4. Georgia ratio (total column d) .....				

**COMPUTATION OF TOTAL INCOME FOR GEORGIA PURPOSES****SCHEDULE 8**

1. Ordinary income (Loss) per Federal Return .....	1	
2. Net Income (Loss) from rental real estate activities .....	2	
3 a. Gross income from other rental activities .....	3a	
b. Less expenses .....	3b	
c. Net business income from other rental activities .....	3c	
4. Portfolio income (Loss)		
a. Interest income .....	4a	
b. Dividend income .....	4b	
c. Royalty income .....	4c	
d. Net short-term capital gain (Loss) .....	4d	
e. Net long-term capital gain (Loss) .....	4e	
f. Other portfolio income .....	4f	
5. Net gain (Loss) under Section 1231 .....	5	
6. Other income .....	6	
7. Total Federal income (Add Lines 1 through 6) .....	7	
8. Addition to Federal income (Schedule 5 above) .....	8	
9. Total (Add Lines 7 and 8) .....	9	
10. Subtraction from Federal income (Schedule 6 above) .....	10	
11. Total income for Georgia purposes (Line 9 less Line 10) .....	11	

**COMPUTATION OF GEORGIA NET INCOME**

(ROUND TO NEAREST DOLLAR)

**SCHEDULE 9**

1. Total income for Georgia purposes (Line 11, Schedule 8) .....	1	
2. Income allocated everywhere (Attach Schedule) .....	2	
3. Business income subject to apportionment (Line 1 less Line 2) .....	3	
4. Georgia ratio (Line 4, Part 2, Schedule 7) .....	4	
5. Net business income apportioned to Georgia (Line 3 x Line 4) .....	5	
6. Net income allocated to Georgia (Attach Schedule) .....	6	
7. Total Georgia net income (Add Line 5 and Line 6) .....	7	

## **INSTRUCTIONS FOR NONRESIDENT SHAREHOLDERS**

Nonresident shareholders of corporations doing business both within and without Georgia shall compute their proportionate part of the corporation's allocated and apportioned income from the schedules on Page 2 of the 600S. The Georgia Net Income of Nonresidents computed on line 7 of schedule 9 should be multiplied by the percentage of stock owned. The result of this calculation yields the taxable income of the nonresident which should be reported on the Georgia individual tax return. Under Section 48-7-21(b)(7)(B) of the Georgia Income Tax Act and Regulations 560-7-3-.06(6) all nonresident shareholders must execute an agreement FORM 600S-CA wherein said shareholders agree to pay Georgia income tax on their proportionate part of the corporation's Georgia taxable income or the S Corporation election will be terminated by the Commissioner.

Special Note: Any S Corporation with nonresident members shall be subject to a withholding tax, unless a composite return, Form IT-CR, is filed or the aggregate annual distribution made to members is less than \$1,000.00. Permission will not be required to file the composite return. A statement in the return indicating that composite filing is being used is sufficient. For composite filing information, call (404) 656-4188.

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## **CORPORATION ESTIMATED TAX**

Income on most S Corporations flows through to the individual shareholders and estimated tax is paid accordingly at the individual level. If your S Corporation must pay estimated tax at the corporate level, see the IT-611 booklet for instructions on how to file or call (404) 656-4191 for blank forms and instructions

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## **TELEPHONE ASSISTANCE**

Centralized Taxpayer Registration Unit .....	404-651-8651
Centralized Taxpayer Registration Forms .....	404-656-4092
Employee Withholding Information.....	404-656-4181
Corporation and Net Worth Tax Return Information .....	404-656-4165-6
Individual Income Tax Return Information.....	404-656-4071
Corporation Refund Inquiry.....	404-656-4173
Corporation Return Processing, Estimates and Prepayment of Tax .....	404-656-4191
Income Tax Forms .....	404-656-4293
Estate and Tax Exempt Organization Information .....	404-656-7043
Income Tax Director's Office .....	404-656-4095
Central Audit Division .....	404-651-5419

NEW CORPORATION? YES ☐ NO ☐  
 ADDRESS CHANGE? YES ☐ NO ☐  
 NAME CHANGE? YES ☐ NO ☐  
 (If YES, please show former name below)

**STATE OF GEORGIA****DEPARTMENT OF REVENUE  
INCOME TAX DIVISION**

PAYMENT OF INCOME TAX AND/OR  
NET WORTH TAX TENTATIVELY  
DETERMINED TO BE DUE

<b>FEDERAL EI NO.</b>

PLEASE DO NOT WRITE IN THIS SPACE

Name (Type or print plainly exact corporation title)				Please print former name if applicable	
Business Address (Number and Street)					
City or Town	State	Zip Code		Type of Tax <input type="checkbox"/> Corporate Income Tax <input type="checkbox"/> Net Worth Tax	
Income Tax Year	(Month)	(Day)	(Year)	AMOUNT OF PAYMENT ENCLOSED \$	

THE AMOUNT PAID IS TO BE CREDITED AS A PAYMENT ON THE LIABILITY THAT MAY BE DUE AS REFLECTED BY THE COMPLETED RETURN OF THE ABOVE NAMED TAXPAYER. GEORGIA PUBLIC REVENUE CODE SECTION 48-2-31 STIPULATES THAT TAXES SHALL BE PAID IN LAWFUL MONEY OF THE UNITED STATES, FREE OF ANY EXPENSE TO THE STATE OF GEORGIA. MAKE CHECK PAYABLE TO GEORGIA INCOME TAX DIVISION. PLEASE INCLUDE FEI# ON CHECK.

**SIGNATURE OF****OFFICER OR AGENT**

TITLE

DATE

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PLEASE DETACH ALONG THIS LINE  
AND MAIL TOP PART WITH REMITTANCE

IT-560-C

**IMPORTANT****THIS FORM IS TO BE USED BY CORPORATION TAXPAYERS ONLY!****USE INCOME TAX YEAR OF RETURN**

**PAYMENT OF INCOME TAX AND/OR NET WORTH  
TAX TENTATIVELY DETERMINED TO BE DUE**

**INSTRUCTIONS**

**THIS FORM IS TO BE USED TO SUBMIT ANY PAYMENT OF TAX WHEN AN  
EXTENSION IS REQUESTED OR IN FORCE.**

When a taxpayer receives an automatic extension of time in which to file his Federal return Georgia will honor that extension. No penalty for late filing will be assessed if the Georgia return is filed by the extended due date of the federal return. The extension is for filing the return and does not extend the time for paying the tax. The tax must be paid by the statutory due date. An extension of time for filing does not relieve the taxpayer of liability for interest or penalty for late payment of tax.

**The amount paid with this form should be claimed on the completed return as other credits.**

Mail the completed form above with remittance to Department of Revenue, P.O. Box 105499, Atlanta, Georgia 30348-5499.

This form must be submitted with remittance to pay at least 90% of the tax that will be due as reflected on the final return. If 90% of the tax is not paid by the original due date of the return a penalty of 1/2 of 1% per month of the tax due will be assessed as a late payment penalty. The addition of this penalty does not relieve the taxpayer of liability for interest due on the unpaid balance of tax. If you have questions, call (404) 656-4191.



**CONSENT AGREEMENT OF NONRESIDENT STOCKHOLDERS OF S CORPORATIONS**

Under Section 48-7-21(b)(7)(B) of the Georgia Income Tax Act and Regulations 560-7-3-.06(6) all nonresident stockholders must execute an agreement wherein said stockholders agree to pay Georgia income tax on their proportionate part of the corporation's Georgia taxable income or the S Corporation election will be terminated by the Commissioner. To ensure Georgia's recognition of your S Corporation election, a properly completed Form 600S-CA for each nonresident shareholder should be attached to Form 600S when filed.

IF ANY ONE OR MORE NONRESIDENT STOCKHOLDERS FAILS OR REFUSES TO FILE THE CONSENT AGREEMENT HEREIN, DO NOT USE FORM 600S, FILE ON FORM 600.

<b>CORPORATE NAME</b>		<b>FEDERAL I.D. NO.</b>
<b>BUSINESS ADDRESS</b>		
<b>CITY</b>	<b>STATE</b>	<b>ZIP CODE</b>

**NONRESIDENT STOCKHOLDER**

<b>NAME</b>	<b>SOCIAL SECURITY NUMBER</b>	
<b>ADDRESS</b>		
<b>CITY</b>	<b>STATE</b>	<b>ZIP CODE</b>
<b>NUMBERS OF SHARES OWNED</b>		

As a nonresident stockholder in the above captioned corporation, I hereby agree to file a Georgia Individual Income Tax Return, Form 500, and report my pro rata share of income and pay any tax that might be due on the return, for the above referenced tax year.

Date \_\_\_\_\_ Taxpayer's Signature \_\_\_\_\_

**Create as many copies as needed.**

**TO:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## **GEORGIA BUSINESS EXPANSION AND SUPPORT ACT**

### **JOB TAX CREDIT**

The act provides for a statewide job tax credit for certain business enterprises who have hired sufficient numbers of employees. Three tiers for the credit have been established. For additional information or Form IT-CA, contact the Office of the Commissioner of Community Affairs at (404) 679-1592.

Georgia Job Tax Credit available for credit against the income tax liability reflected in this return must be reported on line 4, Schedule 4, and supported by a complete copy of Georgia Form IT-CA. Alternate formats will not be accepted!

### **INVESTMENT TAX CREDIT**

The Investment Tax Credit Program, available to manufacturers and telecommunications companies, is based on the same tiers as the Job Tax Credit Program and requires certain minimum expenditures in order to claim this credit against the income tax liability. The investment tax credit may be claimed beginning with the tax year, immediately following the year in which the minimum expenditures for investment property have occurred. The amount of credit increases for investments for recycling, pollution control and defense conversion activities. Taxpayers must elect to claim either the investment tax credit, the optional investment tax credit or the job tax credit for their operations in Georgia, but only one for a given project.

To be eligible for the investment tax credit a taxpayer must purchase or acquire qualified investment property pursuant to an approved project plan (use Form IT-APP). Investment Tax Credit must be computed on Form IT-IC and claimed on line 3, Schedule 4 as "other credits." Contact the Income Tax Division for an application for project approval, Form IT-APP or Form IT-IC at (404) 656-4165.

### **OPTIONAL INVESTMENT TAX CREDIT**

The optional investment tax credit is similar to the regular investment tax credit. However, there are higher spending thresholds. Companies with projects of \$5 million, \$10 million, or \$20 million depending on whether the facility is located in a tier 1, tier 2 or tier 3 county, respectively, may qualify. This credit provides for higher credit amounts as well as a 10-year calculation. As indicated with the regular investment tax credit above, prior approval is required (use form OIT-APP). The Optional Investment Tax Credit must be computed on Form OIT-IC and claimed on line 3, Schedule 4 of the Form IT-600S as "other credits."

### **RETRAINING TAX CREDIT**

Retraining programs must enhance the functional skills of employees otherwise unable to function effectively on the job due to skill deficiencies or who would otherwise be displaced because such skill deficiencies would inhibit their utilization of new technology. The Retraining Tax Credit must be computed on a Form IT-RC and claimed on line 3, Schedule 4, as "other credits."

For a copy of the Retraining Tax Credit Procedures Guide, contact the Department of Technical and Adult Education at 404-679-1700.

### **CHILD CARE CREDIT**

Employers who provide or sponsor child care for employees are eligible for a tax credit of up to 50% of the direct cost of operation to the employer. The credit cannot exceed more than 50% of the taxpayer's total state income tax liability for that taxable year. The Child Care Credit must be computed on a Form IT-CCC and claimed on line 3, Schedule 4, as "other credits."

\*Each of these credits may be claimed separately up to 50% of the Corporate Income Tax or in aggregate, to offset 100% of the S Corporate Income Tax. If there is no S Corporate Tax, the credit flows to the shareholders. Each of the tax credits listed is available to offset income tax only, not net worth tax. These are not refundable credits. Taxpayers must elect to claim either the investment tax credit, the optional investment tax credit or the job tax credit for their operations in Georgia, but only one. For more information about all of these credits call the department and request the publication, "Information on Income Tax Credits for Georgia Businesses."

The B.E.S.T. Act is applicable to all taxable years beginning on or after January 1, 1994.